

Technical Assistance Paper #4

Attracting New Enterprises

The Economy Electric

Few enterprises are entirely localized in one place. They expand, create new branches, add new product lines, acquire new subsidiaries, and form alliances with outside contractors and companies, even move entire factories to new locations. In short, they are always on the move and always looking for the best place to locate.

Concurrently, telecommunications has made centralization less important-sometimes even irrelevant. A single company, for example, may keep its corporate headquarters in one city, design facilities in another, subcontractors scattered throughout the country and major factories on the other side of the globe, yet still be as well informed and connected as though each were situated right next door to one another.

That same decentralization holds true for service enterprises as well as manufacturers. One individual with a personal computer, modem, and fax machine in their den at home can often work just as efficiently - and sometimes more so - than if they were located in a large office building.

The fluid nature of this global economy offers tremendous opportunities to those communities that can exploit it.

Tapping the Current

The process for attracting new employers to the community basically has four steps:

- ! Organize;

- ! Conduct community surveys and analyses to identify community strengths, or assets;

- ! Target specific kinds of industries that are relevant to those assets;

- ! Engage in a marketing strategy that brings the community to the attention of targeted industries.

Attracting new employers into a community is accomplished through effective marketing, playing off available assets, including quality of life assets. Different enterprises require different kinds of communities. Some require vast tracks of industrially zoned land located near an interstate. Some are so technical that the skills of the local work force must be extremely high before it will even be considered as a site location. Others may require a specific geographic location.

A rural community generally has fewer assets than more urban communities. As a result, there are often fewer kinds of employers that a given rural community can relevantly market to. For example, a small community off a state highway that possesses little developed industrial land is unlikely to successfully recruit a heavy industry that requires direct access to an interstate and a large, skilled labor pool. But it might bring in a small processor of agricultural or forest products. It all depends on that community's assets.

There are several kinds of marketing strategies that can be employed once an industry has been targeted. These include direct mail programs; trade show attendance, magazine and newspaper advertisements, and personal contacts. Some of these are extremely expensive.

The exact strategies relevant to any given community depend on how much a community can spend to get a proposal to notice them, coupled with what that community can offer the prospect after he has arrived. The kind of employer a community successfully recruits will be a direct outgrowth of the assets already present.

An Organized Connection

Economic and community developers generally believe that success or failure in enterprise attraction ultimately depends upon a given community's desirability as a place to live and work. That goes beyond the suitability of the industrial park or an available shell building. It also goes beyond the salesmanship of a single individual or group. Economic development rarely succeeds in the long term unless a broad cross section of the community is committed and organized.

Community organizations contribute to economic development efforts in a number of ways. They may do much of the legwork in conducting surveys and analyses. Several kinds of marketing strategies, such as mass mailings, depend upon volunteers to do much of the work in a timely manner. Prospects that have been attracted to the community often rely on contact with community organizations or a host team for a complete picture of the community. And in many other indirect ways, such as community appearance and cleanliness, local organizations play a leading role.

The attraction of new enterprises into a community does not make that community strong. Rather, new enterprises are attracted because the community is already strong. It cannot be over emphasized that successful economic development is a result of successful community development.

For more information on the marketing services provided by the Missouri Department of Economic Development, call 800/523-1434.